

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 28, 1996

SUBJECT: **SB 3106 - HB 3192**

This bill, if enacted, will provide a tax credit for coal producing corporations against the franchise and excise taxes of \$3 per additional ton of coal produced over the previous year. Such tax credit will apply individually to each tax and may not exceed 50% of the taxpayer's liability for each tax. The tax credit will be effective for tax years beginning on and after January 1, 1997 on coal produced after January 1, 1997.

The fiscal impact from enactment of this bill is estimated to be a decrease in first year state revenues of approximately \$200,000. This estimate assumes a 2.5% increase in coal production in the first year.

The fiscal impact from enactment of this bill is also estimated to be an increase in one-time state expenditures of \$23,000 for computer system modification and recurring state expenditures of \$2,500 for administrative expenses.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



SB 3106 - HB 3192

James A. Davenport, Executive Director